

1 interest in WTVE at the time of this letter?

2 A If I remember correctly, at the time this letter  
3 was written, WTVE was an affiliate of the Telemundo Network.

4 MR. SOUTHARD: Your Honor, I'd like to move  
5 Reading Exhibit 55 for identification into evidence.

6 THE COURT: Any objections?

7 MR. COLE: No objections other than the same  
8 caveat as previously stated, Your Honor.

9 THE COURT: Very well. Exhibit 55 is received  
10 into evidence. And so that Mr. Cole is clear on that  
11 ruling, I mean that the document has to be somehow or other  
12 related to the examination of the witness doesn't mean that  
13 every single page, she has to be asked every single page in  
14 every document.

15 (The document referred to,  
16 having been previously marked  
17 for identification as  
18 Reading Exhibit No. 55 was  
19 received in evidence.)

20 MR. COLE: No, I understand that, Your Honor, but  
21 there has to be something tied in to the phase III issue.

22 THE COURT: There has to be something tied in to  
23 the phase III issue. That's correct.

24 MR. COLE: Through this witness.

25 THE COURT: Through this witness and through the

1 document. I just want to ask one question for  
2 clarification. You said that Ms. Gaulke is an employee of  
3 Telemundo. What is her position, or what was her position  
4 at that time?

5 THE WITNESS: I believe it was vice president of  
6 network affiliate relations.

7 THE COURT: So she's an officer, as well as an  
8 employee.

9 THE WITNESS: I'm not sure she's an officer from  
10 the corporate organizational standpoint, in terms of being  
11 an officer registered for the papers with the state.  
12 Certainly, for -- networks frequently have many, many vice  
13 presidents who aren't necessarily officially vice presidents  
14 of the corporation. I don't know which she was. Just like  
15 banks have many vice presidents.

16 THE COURT: Okay. I understand. Thank you. Okay.  
17 Mr. Southard. Yes. We've received 55. Your next document  
18 is 56.

19 BY MR. SOUTHARD:

20 Q Actually, my question at this point is going to be  
21 with respect to your time record, which is Exhibit 50, on  
22 page two, billing entry for April 28th.

23 A Reading Exhibit 50, page two?

24 Q Yes. See at the bottom there it indicates April  
25 28th, 1999, "Telephone conference with A. Gaulke re:

1 settlement possibilities."

2 A Um-hum.

3 Q First of all, does the reference "Telephone  
4 conferences" indicate you had more than one telephone call,  
5 conference with Ms. Gaulke that day?

6 A Usually it does if I've caught typographical  
7 errors correctly, but sometimes I will write either a  
8 singular or a plural on a typed sheet and it may get an "S"  
9 added in typing. I can usually assume that it means more  
10 than one.

11 Q Can you tell us, what was the subject of the  
12 settlement possibilities that this time entry refers to?

13 A I don't remember exactly on April 28th. I  
14 remember generally what we were talking about at the end of  
15 April, but that particular day -- I could look at my notes  
16 that we, if you want me to --

17 Q Well, why don't you start by telling us generally  
18 what you were talking about at the end of April.

19 THE COURT: I'm just going to caution, don't talk  
20 at the same time, because --

21 MR. SOUTHARD: I apologize, Your Honor. I  
22 apologize, Ms. Swanson.

23 THE WITNESS: Telemundo was concerned because one  
24 of its affiliates was in a renewal hearing where its license  
25 was up for renewal, and it was being contested, and we were

1 talking about ways that the proceeding might be terminated  
2 without running its full course, in order to make sure that  
3 any uncertainty or clouds over that license might be  
4 removed.

5 BY MR. SOUTHARD:

6 Q And how did you propose going about doing that?

7 MR. COLE: Objection. Lack of foundation. She  
8 hasn't proposed anything.

9 MR. SOUTHARD: That's what I'm asking.

10 THE COURT: Well, I will sustain the objection.  
11 Technically he's correct, but you need to ask the witness  
12 the next question as to what, if any, settlement ideas were  
13 being discussed or something of that nature.

14 BY MR. SOUTHARD:

15 Q What, if anything, were the settlement  
16 possibilities that were being discussed?

17 A I think I was talking with Anne Gaulke about that  
18 time, and again, I don't remember exactly which dates  
19 without looking at my notes, but about a possibility of a  
20 third party coming in and somehow arranging for a settlement  
21 of the Reading renewal proceeding.

22 Q Had you discussed that matter with Ms. Gaulke  
23 before April 28th?

24 A I have no independent recollection of exactly when  
25 I talked to her about it. If this is the first entry on my

1 time records, in our billing records that I did it, this is  
2 the first time I talked to her about it, more than likely.

3 Q Okay. Why don't you take a look at your notes.  
4 It's Reading Exhibit 52 at page one.

5 Is this your notes from your conferences or  
6 conference with Ms. Gaulke of April 28th, 1999?

7 A It says April 28th and it's got her name there, so  
8 I assume these are my notes from those conversations.

9 Q Could you just read for us at the top right hand  
10 corner? What does that say?

11 A It says, "Topel - White Knight."

12 Q What does that mean?

13 Q I think the reference to Topel is to a lawyer  
14 named Howard Topel, who at the time, I believe, was  
15 representing Reading Broadcasting. And it may be a note to  
16 myself to talk to Topel about a white knight possibility.

17 Q What do you mean by a white knight possibility?

18 A I think "white knight" is the shorthand or  
19 colloquial term for the third party that comes and helps to  
20 settle a contested renewal proceeding.

21 Q What's your -- What do you mean by "helps to  
22 settle"?

23 A From those that I've looked at, the third party  
24 usually provides funds to help settle it or the impetus for  
25 help settling it or sometimes, if either of the parties or

1 both of the parties have qualifications issues, offers  
2 itself up as the potential licensee.

3 Q And the settlement would involve the white knight  
4 party and all of the competing applicants?

5 A I only, I've only done very preliminary research  
6 as to what these involve, but that's my understanding. I  
7 mean there could be other permutations, I --

8 Q At this point, we're just interested in what your  
9 understanding is.

10 A That's generally I think how they work.

11 Q And this was the type of a settlement that you  
12 were discussing with Ms. Gaulke at the end of April 1999?

13 A I was discussing settlement possibilities with  
14 her, and I'm sure we were discussing white knight  
15 settlements among those.

16 Q And in your conversations with Ms. Gaulke, you  
17 were, you were, those discussions were with her in her  
18 capacity as a representative of Telemundo?

19 A As opposed to in her personal life? What do you,  
20 I mean --

21 Q Yes.

22 A Yes. She was talking with me as an employee of  
23 Telemundo.

24 Q Do you know why Telemundo was interested in a  
25 white knight settlement of WTVE at this point?

1           A       I'm not sure Telemundo had a particular preference  
2       to any, for any type of settlement. Telemundo was  
3       interested in seeing a station that had an affiliation  
4       agreement with it come out from under scrutiny in a renewal  
5       proceeding so that they could be certain that there would be  
6       a continued supply of network programming to that market.

7           THE COURT: Is your question something like why  
8       did it occur? Why did this happen to come up on April of  
9       19, what is it? April of 19 --

10          MR. SOUTHARD: April of 1999.

11          THE COURT: Yes. Was that part of your question?

12          MR. SOUTHARD: It wasn't, but I like that question  
13       very much.

14          THE WITNESS: I didn't get involved till very late  
15       in April, but it's my understanding that Reading was very  
16       concerned because there was a provision in its affiliation  
17       agreement that gave Telemundo an option to come in and buy  
18       the station, and there wasn't a time limit on that. Reading  
19       -- Telemundo could have done it during the hearing, shortly  
20       after Reading got a renewal of its license if it did and, if  
21       I remember correctly, Howard Topel was very concerned about  
22       that vulnerability.

23               And Telemundo had proposed to extend the term  
24       during which -- or delay the period during which -- that  
25       option could be exercised to a period -- to a date eight

1 months after any renewal of the license, because he was very  
2 concerned otherwise that Reading was subject to attack in  
3 the renewal proceeding.

4 THE COURT: I don't want to get ahead of Mr.  
5 Southard here, but the hearing designation order in this  
6 case, DA 99-865 was issued, adopted on May 6th and released  
7 on May 6th, and this concern or interest with respect to  
8 white knight came up on April 28th, and I'd be curious as  
9 to, was there something significant -- or obviously  
10 something significant happened on May 6th, but what happened  
11 before then that prompted an April 28th concern?

12 THE WITNESS: I think sometime prior to April  
13 28th, Telemundo (sic), being concerned over its  
14 vulnerability in the affiliation agreement, had approached  
15 Telemundo about modifying the affiliation agreement and it  
16 -- the question was brought to me because it involved legal  
17 aspects of a renewal hearing and whether or not they needed  
18 to make that change to help protect Telemundo during the  
19 proceeding.

20 THE COURT: All right. Is there any, well, okay,  
21 that answers my question. Thank you.

22 THE WITNESS: And I think that those conversations  
23 brought to Telemundo's attention the vulnerabilities that  
24 existed and, therefore, Telemundo began to wonder what it  
25 could do to protect its affiliation arranging from the



1 vulnerabilities.

2 THE COURT: The vulnerability being with respect  
3 to an option.

4 THE WITNESS: No. With respect to Reading losing  
5 its license.

6 THE COURT: Oh. With respect to the renewal  
7 proceeding. I'm sorry, Mr. Southard, go ahead.

8 BY MR. SOUTHARD:

9 Q About halfway down the page, and again now, I'm  
10 referring to exhibit 52, page one, which are your notes. It  
11 appears to say "Adams as applicant." Did I read that  
12 correctly?

13 A Uh-hum. Yes.

14 Q What are the next, could you read the next two  
15 lines for us please.

16 A "O/filed," which means, in my handwriting,  
17 overfiled, Chicago ultimately settled, call Ozzie Torres.

18 Q Who's Ozzie Torres?

19 A I don't know. I may have known at the time, but  
20 I'm sorry, I don't remember.

21 Q Did you ever call him?

22 A I don't think so.

23 Q Was that note or that notation made as part of the  
24 conversation you had with Ms. Gaulke?

25 A I believe so.

1 Q What was the interest in Adams as applicant?

2 A Actually, let me restate. That could, I mean  
3 these show that I was talking to several people about one,  
4 two, three, four, five, six, seven lines down. I don't know  
5 for sure whether I was talking to Howard Topel there or if  
6 Anne Gaulke was telling me something about Howard Topel. So  
7 it could be that Howard Topel told me that. Reading's  
8 counsel as opposed to Anne telling me that. Anne Gaulke.

9 Q Okay. In that case, I withdraw the last question.  
10 Below that, it indicates, or it appears to indicate "4/28,"  
11 and it looks like "Shook." Does that refer to Mr. James  
12 Shook?

13 A I believe that refers to James Shook.

14 Q And the date indicates that, appears to indicate  
15 that you spoke to him on the 28th of April? Is that  
16 correct?

17 A Correct.

18 Q Who initiated that call?

19 A I imagine I did.

20 Q Why?

21 A I just had a conversation or a series of  
22 conversations discussing the renewal proceeding. I knew Jim  
23 Shook to be one of, or the only, attorney left in the FCC's  
24 old hearing division, and to get information I called Jim  
25 Shook.

1 Q On the next page of your notes --

2 MR. HAYS: Your Honor, it sounds like we're going  
3 through -- if I may be heard for a moment on objection. It  
4 sounds like we're going through a page by page review of Ms.  
5 Swanson's notes, which as I gathered from Your Honor's  
6 previous comments, is exactly what we were not going to do.  
7 That there were going to be targeted questions relating to  
8 the specific issues in this case. What we've gotten here so  
9 far is merely inquiry, generalized inquiry about, you know,  
10 who was conversing with whatever.

11 And my understanding was the issue of were  
12 communications between Adams and Telemundo, so I object to  
13 the grounds of the scope of this examination and would  
14 request that the Court direct counsel to the issue in this  
15 case, which is the conversations between Telemundo and  
16 Adams.

17 MR. SOUTHARD: Your Honor, first of all, and no  
18 disrespect Ms. Swanson, but the notes are very difficult to  
19 read, and if I was comfortable just introducing them and  
20 letting them go, we might be able to do that, but I believe  
21 they require at least some interpretation.

22 THE COURT: Mr. Cole isn't going to let you do  
23 that, you know. You can't just introduce them and let them  
24 go, because then we're going to have a motion to strike.  
25 You know that.

1           MR. SOUTHARD: That's my point. That's why we're  
2 going through this.

3           THE COURT: Well, that's part of the reason, but I  
4 think that as long as this keeps moving and we don't start  
5 dwelling on it or you're not argumentative with the witness,  
6 I think the easiest and the most painless way of doing this  
7 is to do it as it's going. If there is a problem, I know  
8 Mr. Hays, you've raised a very valid point, and I'm going to  
9 be very attentive to that, but let's keep it as it is for  
10 the time being. So I'm going to overrule the objection.

11          MR. COLE: Your Honor.

12          THE COURT: Yes.

13          MR. COLE: If I might interject one comment, and I  
14 apologize for not raising this earlier on, but my  
15 recollection is that during one of the hearing sessions last  
16 week, you indicated that prior to Ms. Swanson's appearance,  
17 you wanted a statement on the record as to precisely what  
18 the relationship between Telemundo and Reading Broadcasting,  
19 Inc., is so that it would be very clear what role she plays  
20 vis-à-vis this proceeding, and particularly Reading  
21 Broadcasting, Inc., and I was wondering if it would be  
22 appropriate at this point to solicit such a description of  
23 the roles of the players from either Reading Broadcasting,  
24 Inc., or possibly Mr. Hays.

25          THE COURT: Well, I hear your point. I'm assuming

1 I did say that if you say that I said it, but I'm going to  
2 leave the timing up to Mr. Southard for the time being. Are  
3 you ready? Do you want to proceed on this?

4 MR. SOUTHARD: Well, Your Honor, I'd like to  
5 proceed on this, and I think as we go through it, it will  
6 become clear what the relationship of the parties was.

7 THE COURT: I think so too. We've already started  
8 off in terms of describing who the principals are. We've  
9 been carrying on these conversations, and we know about  
10 Telemundo's interest in a white knight. We know now what a  
11 white knight means in terms of the context of this witness's  
12 notes, and you know, this seems to be moving along, I  
13 thought, quite smoothly.

14 So -- well, that's equally, probably even more  
15 importantly, because the witness is responding. So let's --  
16 I'll reserve on that, and let's keep going.

17 BY MR. SOUTHARD:

18 Q Ms. Gaulke -- getting back to Reading Exhibit 52  
19 on page 2, about halfway down there's another reference to  
20 Anne Gaulke.

21 A Yes. I'm Ms. Swanson.

22 Q I'm sorry. Swanson. On Exhibit 52, page 2, about  
23 halfway down, there's a reference to Anne Gaulke. Do you  
24 see that?

25 A The one right to the left of a phone number?

1 Q Yes.

2 A Yes. I see that.

3 Q Do you recall the context of this note? Was this  
4 in the context of telephone conversation?

5 A It appears to, I don't recall. It appears to  
6 relate to a phone conversation.

7 MR. HAYS: If I could just caution the witness not  
8 to speculate, Your Honor. If she doesn't know whether it's  
9 a phone conversation, she shouldn't say.

10 THE COURT: Well, she said it appears to be. I  
11 think there's enough wiggle room there, and I think the  
12 significance of the answer with respect to -- well, anyway,  
13 I'm going to overrule the objection right now. Go ahead.

14 THE COURT: Let's go off the record a minute.

15 (There was a brief recess.)

16 BY MR. SOUTHARD:

17 Q I'm sorry, Ms. Swanson. About five lines below  
18 the reference to Ms. Gaulke, it appears to say "Other  
19 entity." Do you see that line?

20 A I see that line.

21 Q Could you read that line and the one below it for  
22 us please.

23 A It says, "Other entity be 'white knight'" The  
24 next line says, "Counsel tree," and then there's a space,  
25 "Toronto Dominion/" and I don't know what the next three

1 words are.

2 Q What does that reference indicate?

3 THE COURT: Which reference.

4 MR. SOUTHARD: The reference she just read.

5 "Other entity be white knight, counsel tree, Toronto

6 Dominion," and whatever the last bit was.

7 THE WITNESS: "Counsel tree" was one of the  
8 entities that was being bandied about as a possible white  
9 knight. I don't know what the Toronto/Dominion next three  
10 words are.

11 BY MR. SOUTHARD:

12 Q Again, and in this context, the white knight that  
13 we're referring to is with respect to WTVE.

14 A I don't think we were talking about another  
15 proceeding. This is WTVE renewal proceeding.

16 THE COURT: I'm going to assume that all these  
17 references are to WTVE.

18 MR. SOUTHARD: Thank you, Your Honor. I just  
19 wanted to make that clear.

20 BY MR. SOUTHARD:

21 Q Second line from the end of the page, appears to  
22 say, "info Ray Adams." What does that refer to?

23 A I believe it's a note to myself to get some info  
24 about Adams. I didn't know anything about him.

25 Q Had, did Ms. Gaulke ask you to get information on

1 Adams?

2 A I don't recall.

3 Q If you could refer back again to exhibit 50, which  
4 is the billing records, on page three, for April 29, 1999.  
5 It indicates a telephone conference with Jay Shook and A.  
6 Steinberg.

7 THE COURT: It says, "Paren FCC" after that".

8 MR. SOUTHARD: Paren FCC. Yes. Semicolon.

9 THE WITNESS: My time entry says that --

10 MR. SOUTHARD: Yes, it does. Yes.

11 BY MR. SOUTHARD:

12 Q What does that refer to.

13 A Telephone conference with Jim Shook and, I believe  
14 it's Arthur, Artie Steinberg.

15 Q Was that a telephone conference with all three of  
16 the parties?

17 A No. I believe that's an instance when there  
18 probably should have been an "S" on conferences. That was  
19 telephone conferences with Jim Shook and Arthur Steinberg.

20 Q At that time, why were you speaking with Mr.  
21 Shook? What was your purpose?

22 A I believe I answered that already. I was calling  
23 to get information about renewal proceedings. There had  
24 been a recent change in the FCC's standard and rules. I  
25 didn't know if, how many were still pending, you know, what



1 was going on, were they being settled, what was the bureau  
2 allowing in the way of settlements. And that's why I called  
3 Mr. Shook. To get an overview.

4 Q Did any of that conver -- the conversation with  
5 Mr. Shook or the conversation with, I believe it's Judge  
6 Steinberg -- did any of that have to do with white knight  
7 settlement?

8 A I imagine I was asking Jim about, as I said, what  
9 the bureau was allowing in the way of white knight  
10 settlements. There had been a period in FCC decisions and  
11 precedent when they were not allowed. I was asking Jim,  
12 probably, if they were then being allowed. And to give me  
13 examples of recent ones.

14 Q Can you take a look back at the billing entry for  
15 April 29, 1999. Your entry.

16 A Can you give me an exhibit number and a page where  
17 you want me to go?

18 Q Certainly. I'd be glad to. I'm sorry. It's  
19 exhibit 50, page three.

20 A Okay.

21 Q The last entry here, or rather the second to last  
22 entry here indicates that you had a telephone conference  
23 with A. Gaulke and C. Meadow. Do you see that?

24 A We're on the April 29th entry for me.

25 Q Yes.

1 A Uh-hum. I see that.

2 Q Who is C. Meadow?

3 A Carrie Meadow.

4 Q And is he an emp -- he's a Telemundo employee?

5 A He was at the time an in-house counsel for  
6 Telemundo.

7 Q Does this entry indicate that you spoke to them  
8 both together?

9 A I don't know if I did or not. I can't tell from  
10 this entry.

11 Q Okay. Could you take a look at your notes,  
12 exhibit, Reading Exhibit 52, page 4. At the top of the page  
13 indicates a date of April 29. Do you see that?

14 A Exhibit 52, page 4.

15 Q Yes.

16 A Um-hum. I see that.

17 Q About halfway down it indicates "Gaulke and Carrie  
18 Meadow."

19 A Um-hum.

20 Q Does that help refresh your recollection as to  
21 whether you spoke to them both at the same time?

22 A Based on this note, I would guess that I did speak  
23 to them both at the same time, but again, I have no  
24 independent recollection other than looking at the note.

25 Q Could you read for us the line immediately after

1 the reference to Ms. Gaulke and Mr. Meadow?

2 A "MAS" would be me.

3 Q Um-hum.

4 A "Predicted \$5-10M is what Adams will ask."

5 Q Ask for what?

6 A I don't have any independent recollection of this  
7 phone call, but guessing we were talking about settlement  
8 and I'm guessing we were talking about white knight and what  
9 the different parties would need in order to settle, but  
10 it's purely a guess.

11 THE COURT: I'm a little bit uncomfortable with  
12 the word "guess." Is that really just a guess?

13 THE WITNESS: I don't have any independent  
14 recollection of talking to them.

15 THE COURT: So you're being a bit speculative.  
16 The problem is --

17 THE WITNESS: I'm being very speculative.

18 THE COURT: You're being very speculative?

19 THE WITNESS: I --

20 THE COURT: I mean it's hard to, in the context of  
21 what you're testifying and what the notes are reflecting,  
22 what you're saying makes a lot of sense. Logically, it  
23 certainly fits in. It's hard to think of some other factor  
24 that could make it any different.

25 THE WITNESS: The difficulty for me is that it's

1 15 months ago, and this was a fairly minor project, in terms  
2 of what I was doing. It was not taking much time. It was  
3 not something I was spending much time on. We were  
4 collecting information at the time. It wasn't particularly  
5 trying or stressful. I just, I don't have a lot of  
6 recollection of this.

7 MR. SOUTHARD: Your Honor, I'm not at this point  
8 asking for her independent recollection. I'm asking for her  
9 interpretation of her own notes taken at the time of the  
10 event.

11 THE COURT: Well, that's how I'm going to receive  
12 the testimony then. I'm not going to make a finding that  
13 this was a guess.

14 MR. HAYS: If I may be heard here, Your Honor.  
15 Her testimony was that she had no independent recollection  
16 of the call, and whatever inferences the Court may decide to  
17 draw from the notes in the context in which they were taken,  
18 then the Court may, of course, do so, but the witness has  
19 specifically said she has no independent recollection of  
20 this telephone call. And I think it's improper for counsel  
21 to try to extract an opinion or an interpretation of notes  
22 to which she testifies there is no independent recollection.

23 THE COURT: You're absolutely correct and I've  
24 been very careful about that, and I think, Mr. Southard has  
25 up to a point also. We're not going to get into arguments

1 about whether or not the witness means what she says she  
2 means when she's testifying vis-à-vis the notes. I'm just  
3 saying I just get a little bit nervous when I hear the word  
4 yes, because in my experience, anyway, you know, even if  
5 it's a relatively -- if it's not the most important thing  
6 that you're doing at the time, lawyers generally don't write  
7 down guesses unless they say it's a guess.

8 MR. HAYS: Well, it's not a guess that she wrote  
9 down, Your Honor. Her testimony was that at this point in  
10 time, that she has no recollection of what it was. And so,  
11 at this point in time, what, her interpretation of this  
12 would be nothing more than a guess as to what that  
13 conversation meant at that time.

14 THE COURT: All right.

15 MR. HAYS: That was her testimony.

16 THE COURT: I stand corrected. You're absolutely  
17 right, Mr. Hays.

18 MR. HAYS: Your Honor, one last point. On Mr.  
19 Southard's last question, I believe, of Ms. Swanson was not  
20 what the notes read but what the notes did not say. That  
21 is, the note as Ms. Swanson interpreted it, said MAS  
22 predicted five to 10 million is what Adams will ask. And  
23 the question was, ask for what? And she said, I don't know.  
24 I mean I would have to speculate about that. These notes do  
25 not address Mr. Southard's question.

1 THE COURT: Well, he hasn't gotten there yet.

2 MR. SOUTHARD: Well, exactly. But I, you know, I  
3 think we're --

4 MR. HAYS: He did ask that question, Your Honor.

5 THE COURT: Well, whatever the record reflects the  
6 answer is, that's the answer.

7 MR. HAYS: She said she was guessing, she didn't  
8 know.

9 THE COURT: But you don't have repeat the  
10 witness's testimony. I was focusing on the word "guess,"  
11 and how I was inclined to treat the word "guess." And let's  
12 move on.

13 BY MR. SOUTHARD:

14 Q What was the basis for your prediction that's  
15 purported here in the notes?

16 A I have no recollection. It might have been based  
17 just on my general knowledge of TV station values, the real  
18 problems with this facility that I had encountered and  
19 revealed in my April 26th letter regarding extension of its  
20 construction permit. And what I was guessing a station on  
21 the fringes of Philadelphia might be work -- worth, and then  
22 maybe what a renewal challenger might ask based on that. I  
23 mean this is several different layers of speculation.

24 Q Had you had any discussions with anyone from Adams  
25 concerning settlement value for WTVE as of this date?

1 A Absolutely not.

2 Q Would you take a look at the Reading Exhibit 50,  
3 page three again, your time entry for April 29, 1999. The  
4 last entry indicates a --

5 A Page three?

6 Q Page three of exhibit 50.

7 A I'm on exhibit 50, page three.

8 Q The entry, your entry for April 29, 1990 -- 1999  
9 indicates, appears to indicate that you left a voicemail for  
10 H. Cole. Is that correct?

11 A That's what it says.

12 Q Is that Harry Cole?

13 A I imagine it's Harry Cole.

14 Q You don't know for sure?

15 A I can't think of who else it would be. It's  
16 probably the only H. Cole I know is Harry Cole.

17 Q Why were you calling Mr. Cole on April 29, 1999?

18 A I couldn't answer without flipping back to my  
19 notes. Do you want me to do that?

20 Q Would you please?

21 A I'm speculating that I was calling him after  
22 finishing my conversations with the Telemundo  
23 representatives to inquire about the possibility on the part  
24 of his client as to settlement, but again, it's a guess. I  
25 don't know.

1 Q What's the basis for that guess?

2 A Maybe I shouldn't answer, because I really don't  
3 have a basis for that guess. I don't remember what was in  
4 that voicemail.

5 Q You just took a look at your notes. Where were  
6 you looking?

7 A I was looking at the bottom of Exhibit 52, page  
8 four, when I, a couple days later had a conversation or at  
9 some subsequent point with Cole, but I have no independent  
10 recollection as to what was in that voicemail at all.

11 Q Okay. You're referring to the bottom of the page  
12 here where it says, "Cole - Howard Gilbert - main guy."?

13 A Um-hum. Yes.

14 Q And that records a telephone conversation that you  
15 had with Mr. Cole?

16 A Yes, that records a telephone conversation with  
17 Mr. Cole.

18 Q Do you recall the date of that conversation or can  
19 you tell from your notes what the date of that conversation  
20 would have been?

21 A I don't recall the date.

22 Q The top of the page indicates a date of April  
23 29th. Can you tell from that whether or not your phone call  
24 would have been at or about April 29th?

25 A It would have been before April 29th. I can



1 probably say that with certainly.

2 Q Okay. Could it have been after April 29th?

3 A There is a possibility. I can't tell you exactly  
4 when that phone call took place without trying to piece  
5 together billing records and what entries might have been in  
6 personal calendars and putting together a jigsaw puzzle of  
7 facts.

8 Q Referring to your, the notes that we were just  
9 speaking to, bottom of page four of Exhibit 52, could you  
10 just read those for us please?

11 A Do you want me to read the line beginning "Cole"?

12 Q That's right.

13 A "Cole - Howard Gilbert - main guy - likes to do  
14 own negotiating Harry consents to my speaking. Will get  
15 back to me this afternoon. MAS ask for level of interest or  
16 number. Mentioned earlier settlement - ISD" which I think  
17 is said "Topel SD," which is said, "no one ever got back."

18 Q Thank you. If you could take a look at Reading  
19 Exhibit 53, page two, which is your daytimer entry for April  
20 30th, 1999. Do you have it?

21 A I'm on Exhibit 53, page two.

22 Q The right hand page of the daytimer, the second  
23 entry appears to indicate, if I'm reading this correctly,  
24 that's a telephone conversation, records a telephone  
25 conversation you had with Mr. Cole.

1           A     It has his name by some time entries, yes.

2           Q     Well, what does that indicate?

3           A     I'm guessing that indicates I talked to him about  
4     11:00 a.m. on Friday, April 30th.

5           Q     Can you read, I'm sorry, it appears to say 10:50  
6     or 10:54 to 11:15 or 11:18? Could you --

7           A     I think it says 10:54 - I can't tell whether it's  
8     11:12 or 11:18. It looks like 11:18. I can't quite tell.

9           Q     Would the notes, would your notes that you just  
10    read earlier on page 52 -- I'm sorry, Exhibit 52, page four,  
11    would those be the notes from this conversation on April  
12    30th?

13          A     When I look at Exhibit 52, page four and page  
14    five, there's no other reference to H. Cole, so I'm, again,  
15    I would have to guess, but I as -- it's a guess and an  
16    assumption, but they must, they may go together, they  
17    probably go together. I think that was also a period when I  
18    was quite concerned about Mr. Cole's partner, who had  
19    cancer, and it's possible that we were also talking about  
20    that at the time.

21          Q     Referring you to your notes again, page -- Exhibit  
22    52, page four, the bottom entry, the one you read earlier.  
23    It says, I believe you said it indicates "Harry consent to  
24    my speaking." Does that indicate that Mr. Cole had agreed  
25    to allow you to speak to Mr. Gilbert?

1           A     I believe that's what it means.

2           Q     Why did you want to speak to Mr. Gilbert at or  
3     about this time?

4           A     I have no independent recollection, but I'm  
5     guessing that it was to follow up on the conversations that  
6     I'd had with Anne Gaulke about possible settlement.

7           Q     Did Mr. Cole tell you that he was not authorized  
8     to negotiate on behalf of Adams?

9           A     I don't have any recollection about what he said  
10    other than what's written here, and it doesn't say that one  
11    way or the other.

12          Q     Well, it does indicate that he, if I'm reading  
13    this correctly, he told you that Mr. Cole -- Mr. Gilbert  
14    liked to do his own negotiating. Is that right?

15          A     That's what it says.

16          Q     Do you know what prompted him to say that?

17                 MR. HAYS: Objection.

18                 THE COURT: Sustained.

19                 MR. SOUTHARD: Your Honor, I'm sorry. I'm not  
20    sure I understand the basis for the objection. I was asking  
21    for her, for whether she knew, and she can certainly testify  
22    as to if she knew or not.

23                 MR. HAYS: Well, I guess framed in that fashion, I  
24    mean it's clearly asking what's in Mr. Cole's mind, Your  
25    Honor.

1 THE COURT: There was no foundation for the  
2 question, and counsel objected. So if you want to come back  
3 at it, you know, go ahead, but let's not spend a lot of time  
4 on it.

5 BY MR. SOUTHARD:

6 Q Do you recall, was your request to speak to Mr.  
7 Gilbert in response to Mr. Cole telling you that Mr. Gilbert  
8 liked to do his own negotiating?

9 MR. COLE: Objection. I don't believe she  
10 testified that she had requested to speak with Mr. Gilbert.

11 THE COURT: I'll sustain that objection too.

12 BY MR. SOUTHARD:

13 Q Had you requested to speak to Mr. Gilbert?

14 A I have no independent recollection whether I did  
15 or not.

16 Q But that's what this note indicates. "Harry  
17 consent to my speaking."

18 A Right. But I don't know if I asked him and he  
19 then said it or if he volunteered it. I have no independent  
20 recollection.

21 Q What was Mr. Cole's response to your request for  
22 the level of Adams' interest for a number?

23 A I have no independent recollection, but I would  
24 bet if he had given me an answer, I would have written it  
25 down.

1           Q     If you'll take a look at the next page of your  
2 notes.

3           THE COURT: Well, are you going to ask her at some  
4 point whether or not, what, if anything, that she did in  
5 response to the advice that she was receiving that Mr.  
6 Gilbert liked to negotiate for himself? I don't want to get  
7 ahead of you on this now, but -- do you want to wait on  
8 that?

9           MR. SOUTHARD: It actually ties in to the next  
10 question, but it's a good lead-in.

11          BY MR. SOUTHARD:

12          Q     What did you do in response to Mr. Cole telling  
13 you that Mr. Gilbert liked to do his own negotiating?

14          A     I don't have any independent recollection of what  
15 I did. I can begin to walk through notes that may chronicle  
16 what I did, but I don't have any independent recollection of  
17 what I did at the time.

18          Q     Okay. Can you tell from your notes what you did  
19 in response to Mr. Cole telling you that Mr. Gilbert liked  
20 to do his own negotiating?

21          A     Well, it looks like the next thing I did was call  
22 Anne Gaulke, and I put "WCB" at the bottom, which means I  
23 called her and must not have gotten here. It says "Will  
24 call back."

25          Q     And you're referring to the bottom of Exhibit 52,

1 page four?

2 A Referring to the bottom of Reading Exhibit 52,  
3 page four. Then when I go to Reading Exhibit 52 at the top  
4 of page five, it looks like I may have had a conversation  
5 with Anne Gaulke, as referenced by her name at the top. I  
6 may have had a second call with her. Then I have a note,  
7 "MAS to call Cole and Topel." Then it looks like I may have  
8 called Cole, because I have his name and a phone number in  
9 the left margin. Then it looks like I may have called  
10 Topel, because I have "WCB." And then it looks like I may  
11 have called Howard Gilbert, because I have his name. But  
12 again, I'm, I don't know exactly when or what time elapsed  
13 or -- other than looking at these notes and walking you  
14 through them, I don't have an independent recollection of  
15 doing this.

16 Q You just referred to Reading Exhibit 52, page five  
17 in reference to Howard N. Gilbert. Do you see that?

18 A I see a reference to Howard Gilbert.

19 Q Just up from that.

20 A Oh. In the middle?

21 Q In the middle of the page.

22 A Maybe five or six lines down from the top of  
23 Reading Exhibit 52, page five, I see "Howard N. Gilbert -  
24 plan to litig" -- plans to litigate -- "but he won't say  
25 no."

1 Q What does that entry, "won't say no" mean?

2 A Again, this is shorthand and I have no independent  
3 recollection, but I imagine he told me that he was planning  
4 to go through the renewal proceeding. He planned to  
5 litigate. He planned to pursue his application. But in  
6 response, and I'm guessing because I don't have my answer  
7 here, that he wouldn't immediately off the bat say, "No" to  
8 my inquiry about a settlement.

9 Q Two lines down from that -- and I'm sorry, it  
10 appears to me that there's a reference there that indicates  
11 "meeting next week" or "meet next week."

12 A "He's out next week."

13 Q "Out next week." That refers to Mr. Gilbert?

14 A Yeah, I think I do recall at some point he went to  
15 Israel for a week. I was very jealous because I'd never  
16 been to Israel and he, one of, at some point he told me at  
17 length about things to see in Israel, and I imagine that's  
18 the reference to the conversation about us going on vacation  
19 in Israel, but I couldn't be sure.

20 Q The next line under that, could you read that for  
21 us please?

22 A "Harry more than happy to facilitate."

23 Q What does that mean?

24 A I think that's a gracious way of saying that even  
25 though he's on vacation, I shouldn't let that get in my way

1 if I wanted to do something and I should contact Harry, who  
2 could maybe act in his absence.

3 Q And what you were doing at that time was  
4 discussing settlement?

5 A Again, I have no independent recollection, but I  
6 believe I was calling to preliminarily see if anybody might  
7 have any interest at all. I was calling Howard Topel,  
8 Reading's counsel. I was calling Harry Cole, Adams's  
9 counsel.

10 Q About settlement.

11 A About somehow concluding the renewal proceeding,  
12 because Telemundo was very concerned about the continued  
13 provision of its programming to the Philadelphia market.

14 Q If you could take a look please at Reading Exhibit  
15 51, page two. It's the telephone entry. And I believe  
16 we've established that that reflects a telephone call to --  
17 from Dow, Lohnes to Mr. Gilbert. Do you see that?

18 A You're looking at the April -- the entry for April  
19 30th?

20 Q That's right.

21 A That's a phone call to what I believe, having  
22 looked at my notes to prepare for this testimony, is Howard  
23 Gilbert's phone number.

24 Q What is extension 2070?

25 A That's a conference room. To make sure we got all



1 the records, I not only had my personal searched, I had  
2 three conference rooms where I may have been sitting  
3 searched.

4 Q I appreciate it.

5 THE COURT: Just for clarification for my  
6 purposes, in page one of Exhibit 51, the center hole is  
7 punched over a date. It's something 15, '99. Would you  
8 tell me what that is.

9 MR. SOUTHARD: It's 9/15/99. I apologize.

10 THE COURT: Thank you.

11 BY MR. SOUTHARD:

12 Q And if you could then, very quickly, take a look  
13 at Reading Exhibit 50, which is the billing records, at page  
14 three, and your entry for April 30, 1999 indicates a  
15 telephone conference with Adams' principal. Do you see  
16 that?

17 A I see that on Exhibit 50, page three.

18 Q Does that record, does that reflect your telephone  
19 conference with Mr. Gilbert?

20 A Without the notes and all the different pieces of  
21 paper, I wouldn't be for -- I wouldn't know for sure, but  
22 I'm guessing it's connected to the phone call for which I  
23 have notes on Reading Exhibit 52, page five.

24 Q Have you ever spoken to any other Adams principals  
25 other than Mr. Gilbert?

1           A     Not that I recall, but I couldn't rule it out.

2           Q     Okay. What notes were you referring to just now?

3           A     I believe the time entry on Reading Exhibit 50,  
4     page three, the second entry for me on that page reflects a  
5     conversation, which is reflected in notes on Reading Exhibit  
6     52, page five at the bottom of the page.

7           Q     Would you read those for us please.

8           A     The notes say, "Howard Gilbert - Anne Swanson.  
9     Willing to speak to us - MAS asked for number. Doesn't have  
10    a number - not valued station - believe is reasonable.  
11    Needs to understand reasonable. Would spend one-third of"  
12    -- and I've stricken through "\$3K" and put in "\$5K to value  
13    - up to \$5K. Would split 3 - ways - 'our people our  
14    reasonable' in Israel all next week. SD," which I believe  
15    is said, "didn't know if MP," which I believe stands for  
16    Michael Parker, "reas," which is reasonable "- SD" said,  
17    "hadn't gotten there" and I believe it may be "yet," but  
18    it's cut off in mine, but I think it's "yet."

19          Q     The "us" that is set forth in the second line  
20    there that you just read, just below your name. Who does  
21    that refer to?

22          A     I have no independent recollection, but I'm  
23    guessing it's me on behalf of Telemundo, or Telemundo. I  
24    don't know.

25          Q     You were making this call on behalf of Telemundo.

1 Is that correct?

2 A Yes.

3 Q Did you tell Mr. Gilbert that you were calling on  
4 behalf of Telemundo?

5 A I don't have an independent recollection of doing  
6 that. My notes don't say. But I can't imagine that I began  
7 a conversation with him saying, "Hi, this is Anne Swanson,"  
8 without telling him that I was an attorney and who I was  
9 representing.

10 Q It says, "willing to speak to us." Does this  
11 indicate that Mr. Gilbert was willing to speak to you?

12 A Usually when I take notes like this, I'm really  
13 tired. I mean I can tell this is kind of like my,  
14 elementary, and I probably said, "are you willing to speak  
15 to us?" and he said "yes," and I wrote out much more than he  
16 said. He probably said "yes," and I wrote "willing to speak  
17 to us."

18 Q Fine. What was it that you wanted to speak to him  
19 about?

20 A Again, I don't have independent recollection of  
21 it. From the fact that the next couple words say, "MAS  
22 asked for number," I'm guessing I'm asking him about  
23 settlement, but again, I'm just piecing together from the  
24 notes. I don't have any independent recollection.

25 Q The next line under that, does that, it says,

1 "doesn't have number." Does that indicate that Mr. Gilbert  
2 was unable to provide you with a number in response to your  
3 request?

4 A My sense, from talking to Howard Gilbert, he was  
5 never particularly interested in what I was calling and  
6 talking to him about, that he never really had a number, he  
7 never really seemed enthusiastic about what Telemundo  
8 thought it might think about doing to help make the license  
9 more secure in Reading.

10 MR. SOUTHARD: Okay. Object as nonresponsive and  
11 move to strike.

12 MR. HAYS: It was totally responsive.

13 MR. SOUTHARD: The question was, does the note  
14 entry "doesn't have a number" indicate that he was  
15 responding to your request for a number, that he didn't have  
16 a number.

17 MR. COLE: Your Honor, this witness is on direct  
18 examination. It's his witness.

19 THE COURT: I'm going to take that under a weight  
20 factor. I agree with your characterization. I would not  
21 put that in the category of being totally responsive;  
22 however, it is an answer.

23 MR. SOUTHARD: Very good, Your Honor.

24 THE COURT: I'm going to caution the witness to  
25 listen to what Mr. Southard is asking you and answer

1 truthfully.

2 BY MR. SOUTHARD:

3 Q Did Mr. Gilbert ever give you an absolute no that  
4 he was never interested, never be interested in settlement?

5 A The notes here say he "doesn't have a number."

6 Q Did Mr. Gilbert ever give you an absolute no that  
7 he was never interested, never be interested in settlement?

8 A Their actions certainly implied that I wasn't  
9 going to get anywhere. Whether or not he gave me an  
10 absolute no, I don't recall.

11 Q Again, the notes, referring back to your notes  
12 here, it says, "not valued station. Believe is reasonable."  
13 Did I read that correctly?

14 A I believe it's "believe is reasonable." The last  
15 couple letters I might have cut off, but I would guess that  
16 word's "reasonable."

17 Q What does that mean?

18 A Again, I don't have any rec -- independent  
19 recollection. I probably said, when I introduced myself as  
20 who I was and who I was representing that we were very  
21 interested in seeing this proceeding conclude, that we were  
22 interested in working with him and others to do that and  
23 that he thought it was reasonable to try and get the  
24 proceeding over with, take actions that might lead to a  
25 quicker resolution.

1           Q     It doesn't sound like an absolute no to the  
2     settlement request, does it?

3           MR. SHOOK:  Objection, argumentative.

4           THE COURT:  Sustained.

5           MR. SOUTHARD:  Withdrawn.

6           BY MR. SOUTHARD:

7           Q     The next line, "needs to understand reasonable."  
8     What does that mean?

9           A     Again, I don't have any independent recollection.  
10    It was my first conversation with the guy, and maybe he was  
11    trying to understanding white knight and other things that I  
12    was throwing around as possible ways of ending the  
13    proceeding.  He needs to understand what would be reasonable  
14    as a way of terminating the proceeding.

15          Q     That discussion, was it that, was it that  
16    discussion which triggered this interest in splitting  
17    one-third to value?

18          A     Again, I don't, I don't have any recollection, but  
19    I'm guessing that was why I was calling him, to see if they  
20    would split the cost of appraising.  The same way I called  
21    Reading Broadcasting to see if they would split it.

22          Q     Now.  below that, you've got in quotes, it said,  
23    "Our people are reasonable."  Is that something, because you  
24    put it in quotes, is that something that Mr. Gilbert  
25    actually told you?

1           A     Usually my notes are paraphrased. He's willing to  
2 speak to us. I asked for a number. If I put something in  
3 quotes, it's usually the words that the person said, but  
4 it's not always. Sometimes it's my impression. And I don't  
5 have any independent recollection of this conversation. Not  
6 till I went back to pull documents for you and begin to  
7 review any of them did I, I remembered I'd talked with  
8 Gilbert. I didn't even remember it was, I guess, three  
9 times, as the notes now show.

10          Q     Can you tell from your notes here what you meant  
11 by "Our people are reasonable."?

12          A     No.

13          Q     What was the context of the discussion?

14          A     I'm not sure what you want with it. I'm not sure  
15 what you're asking me.

16          Q     You were calling him with respect to a possible  
17 white knight settlement and obtaining an appraisal of the  
18 station WTVE. Is that correct?

19          A     I believe I was probably calling to see if his  
20 group would pay one-third of the settlement -- appraisal --  
21 whatever, the appraisal, in order to value the station so  
22 Telemundo could even figure out if it wanted to keep going  
23 and explore this idea.

24                THE COURT: I think it's time to move on, Mr.  
25 Southard.

1 MR. SOUTHARD: Yes, Your Honor. I'm just going  
2 through my notes. If you can take a look at Exhibit 20 and  
3 Exhibit 57 please.

4 THE COURT: I'm noticing it's five to three by the  
5 clock in the back of the room here, and the witness has been  
6 on the stand since almost one thirty. Anytime that you want  
7 to take a break, Ms. Swanson, let us know.

8 THE WITNESS: Can we go off the record for a  
9 minute?

10 THE COURT: Sure, we can go off the record for a  
11 minute.

12 (There was a brief recess.)

13 BY MR. SOUTHARD:

14 Q Very good. Thank you, Ms. Swanson. And please,  
15 if at any time you do begin to tire or get uncomfortable,  
16 please let us know. I'm sure the judge will be glad  
17 accommodate any breaks that you might need. If you could  
18 please take a look at Reading Exhibit 57. Do you recognize  
19 that document?

20 (The documents referred to  
21 were marked for identification  
22 as Reading Exhibits No.  
23 20 & 57.)

24 A I recognize the document.

25 Q Could you identify it for us please.